



**DEFENSE LOGISTICS AGENCY**  
THE DEFENSE CONTRACT MANAGEMENT COMMAND  
8725 JOHN J. KINGMAN ROAD, SUITE 2533  
FT. BELVOIR, VIRGINIA 22060-6221

IN REPLY  
REFER TO

AQO

NOV 14 1997

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (ACQUISITION AND TECHNOLOGY)  
PRINCIPAL DEPUTY UNDER SECRETARY OF DEFENSE (ACQUISITION AND TECHNOLOGY)  
DIRECTOR, DEFENSE PROCUREMENT  
DEPUTY UNDER SECRETARY OF DEFENSE (ACQUISITION REFORM)  
DEPUTY UNDER SECRETARY OF DEFENSE (LOGISTICS)  
ASSISTANT SECRETARY OF THE ARMY (RESEARCH, DEVELOPMENT AND ACQUISITION)  
ASSISTANT SECRETARY OF THE NAVY (RESEARCH, DEVELOPMENT AND ACQUISITION)  
ASSISTANT SECRETARY OF THE AIR FORCE (ACQUISITION)  
DIRECTOR, BALLISTIC MISSILE DEFENSE ORGANIZATION

SUBJECT: Single Process Initiative (SPI) Biweekly Activity Report

Forwarded for your review is our biweekly report for the period ending November 14, 1997. This report features efforts to increase supplier involvement, SPI linking with new initiatives, and statistical data.

Should you have any questions or concerns regarding information contained in the attached report, please contact Ms. Marialane Schultz, SPI/Block Change Management Team Leader at (703) 767-2471.

TIMOTHY P. MALISHENKO  
Brigadier General, USAF  
Commander

Attachment

cc:  
See Distribution

See Distribution

Distribution List:

OASA (RD&A)

ASN (RD&A)ARO

PDASAF (Acq & Mgmt)

CDR NAVAIR

Director DLA

Deputy Director MM-DLA

NASA Headquarters, Code AE

***Single Process Initiative (SPI)***  
***Biweekly Report***  
***November 14, 1997***

***Subcontractor SPI Processes Continue to Grow***

- Prime contractor support of subcontractor SPI processes continues to grow
- Enabling Provisions -- 12 enabling processes submitted, 7 approved, 5 more in the works
  - Lockheed Martin Corporation continues to lead the way, with enabling provisions approved at 4 locations
- Other supplier news:
  - Lockheed Martin's program goals include focus on high payoff areas and increasing supplier involvement -- have "rolled out" metrics to track and assess success in meeting those and other goals
  - Boeing Corporation stepping up efforts, encouraging subcontractors to embrace SPI
    - Results to date: 65 concept papers submitted from over 20 suppliers -- 8 already approved
- Corporate-wide and industry-wide opportunities exist --- linkages between prime contractors and industry associations are key

***Boeing JEMC ... Architecture for Change***

- Boeing establishes Joint Executive Management Council (JEMC) to set policy and direction and oversee process improvement actions occurring in Boeing's three new business units
- JEMC necessary -- unveiling of new Boeing Information, Space, & Defense Systems (ISDS) group results in 15 existing Management Councils within the old Boeing Defense & Space Group, Rockwell, and McDonnell Douglas
  - Approximately 190 SPI initiatives left over from pre-Boeing ISDS mergers
- Local site Management Councils -- proving ground for finding good ideas.
- Business units accountable to metrics driving good ideas -- JEMC will oversee progress
- Challenge at hand -- meld SPI concept papers into set of enterprise-wide initiatives
- SPI working group remains clearinghouse behind the scenes -- manage general health of SPI process

***Proposed Change to DoDD 5000.2-R***

- Defense Contract Management Command (DCMC) and Deputy Under Secretary of Defense (Environmental Security) submitted several proposed changes to DODD 5000.2:
  - Recognizes and incorporates joint government/contractor Management Council and SPI as activities the DoD acquisition community must fully support
  - Institutionalizes DCMC's role as lead to coordinate joint acquisition pollution prevention effort between buying activities and defense contractors
- Nov 7, 1992, Defense Acquisition Program Working Group met, accepted the language as proposed
- After 30 day official coordination period, new policy will be posted to Defense Acquisition Desk Book Home Page

***SPI and the Digital Environment***

- Ms. Jill Pettibone, DCMC Executive Director, Contract Management Policy, briefed Government/Industry Liaison Conference, October 21, 1997 -- focus: DCMC's acquisition reform efforts
- Presented DCMC plan to execute Integrated Digital Environment (IDE) policy to support DoD goal of fully digital acquisition environment by 2002:
  - OSD policy guidance encourages use of SPI to promote and define the digital environment
  - DCMC selected five sites as pilots to test approaches to IDE
    - Encourage contractors to submit IDE-related SPI concept papers
    - Encourage Program Integrators to work with Program Managers
    - Use Management Councils as forums to coordinate common solutions for IDE

### ***Recent Escalation News***

- Fidelity Technologies Corporation, Reading, PA, Quality-Calibration SPI
  - Army Component Team Leader (CTL) has concerns over contractor's lack of cost avoidance/savings
  - Escalated by local Contract Administration Office Management Council to Defense Contract Management District East (DCMDE) -- DCMDE working with Army CTL to resolve issues
- Northrop Grumman ESID & SBMS, Melbourne, FL
  - Three quality-related concept papers, escalated by DCMDE to Air Force member of Block Change Management Team
  - Escalation facilitated final approval of concept papers

### ***Linking With Lean***

- SPI seeking to link with Lean Aircraft Initiative (LAI) efforts
- LAI offers opportunities to consolidate processes facility-wide
- SPI can be an "enabler" for the suppliers of military systems to become "lean"
- DCMC providing SPI briefing at upcoming Air Systems Commands' President's Day Conference
- For more information on LAI, visit web site at <http://web.mit.edu/lean>

### ***The "SPIS" Has It***

- Look for upcoming enhancements to the Single Process Initiative System Database (SPIS)
- Version 1.1 scheduled for release mid December 1997 -- includes modifications to facilitate ease in data entry and reporting
- Version 2.0 targeted for release Spring 1998 -- includes major upgrades -- ability to track negotiated consideration to specific programs and linkage to other DCMC metric collection systems

### ***Maryland Excellence Conference***

- October 29, 1997, sponsored by Maryland Center for Quality & Productivity, University of Maryland

- Attended by over 40 industry professionals -- many unfamiliar with SPI
- HQ DCMC SPI, AAI Corporation, and Northrop Grumman Electronics Systems & Sensors Division, Baltimore, MD conducted 90 minute workshop -- *How Contractors Can Benefit from SPI*:
  - Focused on SPI importance to all DoD/Federal government
  - Highlighted recent successes -- Supplier/Subcontractor enabling provisions and retaining approved SPIs on New Procurements

***SPI Statistics ... Over 1200 Processes!***

Contractor Facilities	257
Processes Submitted	1211
Processes Modified	716
Negotiated Consideration	\$9.0 M
Estimated Cost Avoidance	\$326.5 M
Average Cycle Time	130 days

***In Summary***

- Prime contractors continuing to support and encourage subcontractor SPI involvement
- Proposed changes to DoDD 5000.2-R give Management Council and SPI standing in program management policy
- DCMC HQ SPI Team continues to link with initiatives that have common objectives with SPI -- opportunities exist to exchange information, leverage lessons learned, use SPI as an enabler
- SPI continuing to grow, over 1200 processes submitted

**DCMC SPI Homepage: <http://www.dcmc.dcrb.dla.mil/>  
Select "Hot Topics"**

## **Appendix Index**

**Appendix A - Executive Summary**

**Appendix B - Charts**

# **APPENDIX A**



## ***SINGLE PROCESS INITIATIVE***

### ***Implementation Summary***

*As of: Friday, November 14, 1997*

---

<b>Contractor Facilities:</b>	<b>257</b>
<b>Top 200 Corporation Facilities:</b>	<b>144</b>
<b>International Facilities:</b>	<b>7</b>

---

<b>Total Proposed Process Changes:</b>	<b>1211</b>
--	-------------

<b>Found Technically Unacceptable:</b>	<b>52</b>
<b>Processes Withdrawn/Disapproved:</b>	<b>207</b>

<b>Total Block Change Modifications:</b>	<b>716</b>
<b>Average days from Submittal to Modification:</b>	<b>130</b>

<b>Total Open:</b>	<b>288</b>
<b>* Total Open Aged Over 120 days:</b>	<b>84</b>

---

#### **Proposal Development (30 Days)**

<b>Total Under Development/Awaiting Initial Acceptance:</b>	<b>30</b>
<b>Total Under Development for More Than 30 Days:</b>	<b>21</b>

---

#### **Approval (60 days)**

<b>Total Under Review for Approval:</b>	<b>138</b>
<b>Disagreements/Problems Escalated:</b>	<b>31</b>
<b>Total Under Review for More Than 60 Days:</b>	<b>76</b>

---

#### **Modification (30 days)**

<b>Total Awaiting Contract Modification:</b>	<b>120</b>
<b>Total Awaiting Contract Modification for More Than 30 Days:</b>	<b>111</b>

---

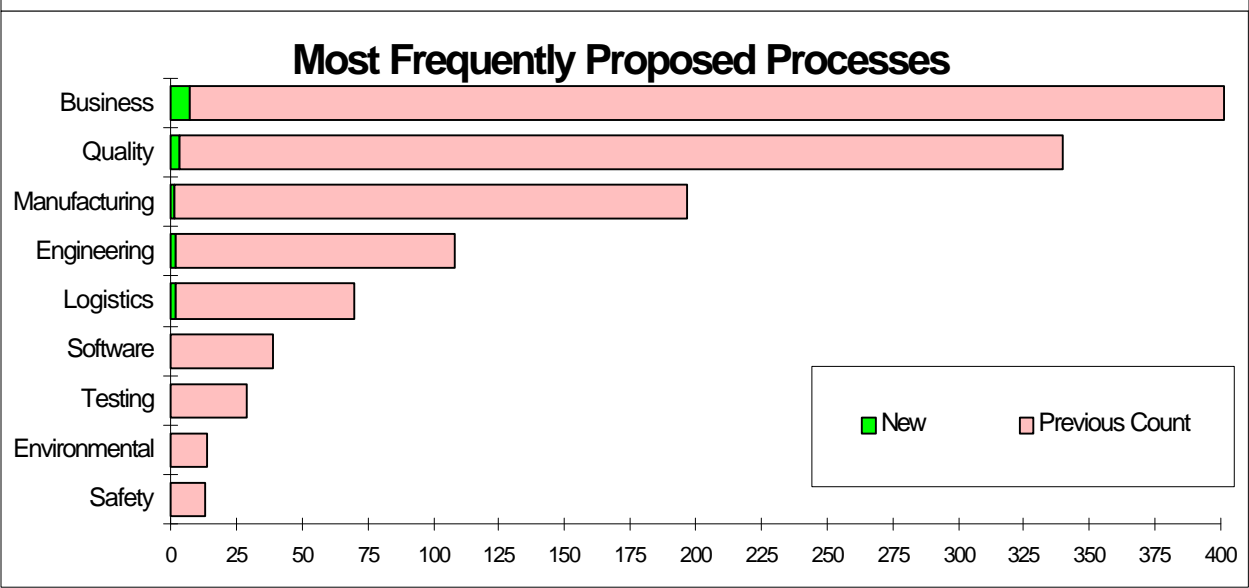
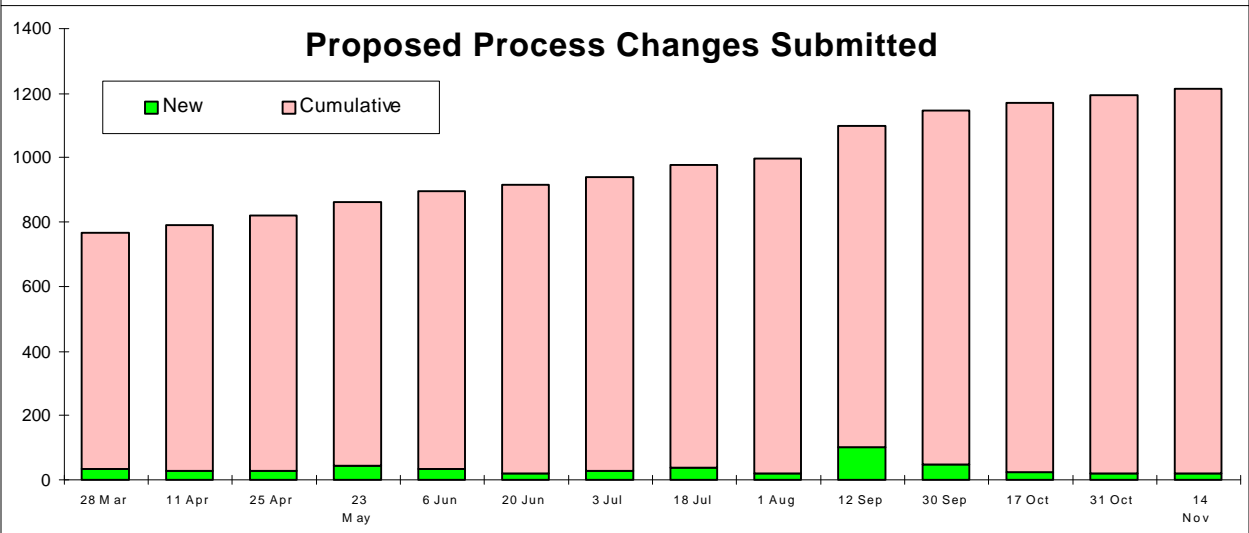
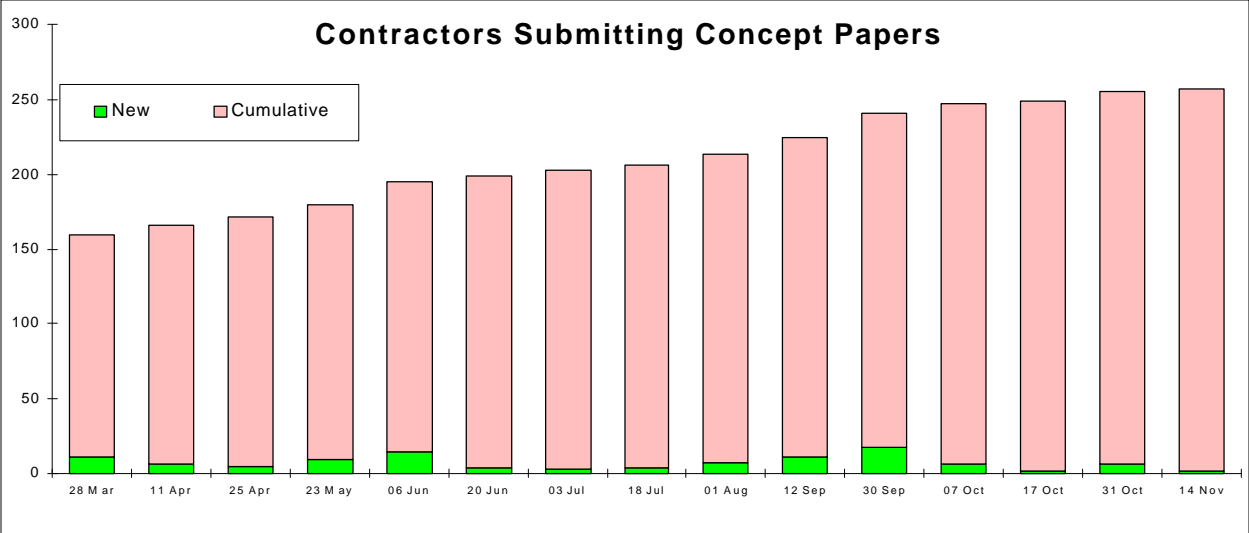
#### **Implementation Results**

<b>Amount Negotiated:</b>	<b>\$9,039,784</b>
<b>Estimated Cost Avoidance on Future Contracts:</b>	<b>\$326,593,190</b>

\* Does not include Law/Reg Proposals

**Appendix A**

## **APPENDIX B**



## Appendix B